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SUBJECT: AMBASSADOR'S MEETING WITH BRAZILIAN WORKERS' PARTY  
PRESIDENT JOSE GENOINO

Classified By: POLOFF RICHARD REITER, REASON 1.4B AND D.

1. (C) SUMMARY. On March 9, Ambassador Danilovich met with Jose Genoino, the President of Brazil's Workers' Party (PT) and the PT's Secretary for International Relations, Paulo Ferreira. Genoino noted that the PT is now celebrating its 25th anniversary and has evolved into a modern nationwide institution that, after two years in power, is engaged in the country's challenging social agenda. Genoino agreed with the Ambassador's comments on the importance of US/Brazil dialogue both on areas of agreement and on differences. Clearly involved in the day-to-day issues of the Lula administration, he thanked the Ambassador for the excellent meetings arranged in Washington (including with the Secretary and the National Security Advisor) for President Lula's Chief of Staff, Jose Dirceu. The Ambassador agreed that Dirceu's meetings were productive and expressed hope that the GoB will take the next steps to reinvigorate the FTAA talks. The Ambassador offered to assist the PT in developing contacts with US political parties. END SUMMARY.

JOSE GENOINO - PT PRESIDENT

2. (C) On March 9, Ambassador Danilovich met in the embassy with Jose Genoino, President of Brazil's Workers' Party (PT). Genoino was joined by the PT's Secretary for International Relations, Paulo Ferreira. Like President Lula, Genoino's biography is a window onto Brazil's recent history. Born in the impoverished interior of Ceara state, he migrated to Sao Paulo and became active in union politics. He joined the Communist Party of Brazil and in the 1970s was captured by the military dictatorship while involved in guerilla activities in the Amazon jungle. He was tortured in prison before being released in 1979. In 1980, he co-founded the Workers' Party and served five terms in Congress. He is now among the PT's most moderate leaders and is one of Lula's closest confidants.

IMPORTANCE OF DIALOGUE

3. (C) The Ambassador stressed that while our two countries may have different approaches on issues, and that there may be anti-American sentiment from some sectors, we have many common values and goals, so it is important to maintain an open dialogue to coordinate and cooperate on those areas. Genoino responded that the PT has great respect for the US, and has no anti-American philosophy or agenda. He agreed that cooperation is essential and looks forward to a continued dialogue with the Ambassador and the USG.

STATE OF THE WORKERS' PARTY

4. (C) Genoino told the Ambassador that, aside from losing city hall in Sao Paulo and Porto Alegre, the PT did quite well in last October's municipal elections and has a presence in all 5,500 of Brazil's municipalities. Now celebrating its 25th anniversary, the party has matured into a national institution and is growing stronger at the grass-roots level. He also noted that after two years in power and GoB fiscal austerity, the Lula administration --and the party-- are redoubling their efforts on economic development and the social agenda.

WARM WELCOME IN WASHINGTON FOR BRAZILIAN OFFICIALS

5. (C) Genoino thanked the Ambassador for the fact that Lula's Chief of Staff Jose Dirceu had excellent meetings in Washington (including with Secretary Rice and NSA Hadley). Genoino added that Dirceu's trip, along with Luiz Dulci's (Secretary General of Lula's Presidency) trip this month to speak at US universities, exemplifies the PT's desire for a good --and broad-- exchange with the US. The Ambassador agreed that Dirceu's meetings were successful, highlighting his discussion with Secretary Rice on Brazil's role in serving as a constructive voice in the region. Genoino noted that the Workers' Party policy recognizes the importance of external dialogue, particularly constructive contacts with the US, as well as a role as a mediator in regional affairs --to include the possibility of exerting a moderating influence on Chavez. The Ambassador said that he was happy that Dirceu made a strong statement in support of the FTAA, and that he hopes Foreign Minister Amorim will support the FTAA as well. (Note, Genoino was not to be drawn out on the perceived role of Amorim and the Foreign Ministry in slowing

FTAA talks, over the objections of others in the Lula administration and the Brazilian private sector who strongly support an accord.)

#### CHALLENGING DOMESTIC AGENDA

16. (C) Turning to domestic affairs, Genoino said that the PT is also focused on Brazil's social agenda, confronting the challenges of unemployment, income disparity, rural and urban violence, and crime in general. He said the task is to strengthen democracy while addressing social problems. Genoino observed that Brazil's democracy is but 20 years old, so there remains a need to consolidate democratic institutions while promoting economic development. Politically, the PT is looking to strengthen the administration's performance in the remaining two years of Lula's term, and to that end is now working to solidify the PT's coalition of allied parties. The Ambassador noted that with economic improvement, the GoB might now be in a position to direct more resources to the social agenda. Genoino said that elements of the PT's agenda have already been addressed in Congress in the past two years in the series of reforms (tax, pension, judicial, etc.) already passed. But that there is still a lot of work to be done, for example, on infrastructure and elsewhere.

17. (C) In response to the Ambassador's question about who Genoino would most like to see run against Lula in the 2006 elections, Genoino said Sao Paulo Governor Geraldo Alckmin (PSDB) is the most likely opponent. He added that Brazilian politics are evolving into two large and loose coalitions: one led by the PT and the other by the PSDB.

#### PARTY RELATIONS

18. (C) Genoino said that the Workers' Party has good relations with other parties around the world, including in Japan, Europe, and elsewhere. But to date, it has not developed a strong relationship with either of the main US parties. The Ambassador said that as a political appointee, he would be glad to assist in facilitating meetings for the PT in the US, but that he might prove more useful with the Republican party, with whom he has more contacts. Genoino and Ferreira will remain in touch with the embassy to pursue these contacts.

DANILOVICH